

BANKS OF WORLD WOULD BE UNABLE TO CORNER MONEY

(Continued From First Page.)

had no interest at stake, do you?" continued Mr. Undermyer.

"Exactly, sir," replied the witness. "And you are acting on that assumption all the time are you not?"

"I always do, sir."

Later, Mr. Undermyer touched upon the basis of money control.

"The control of credit involves the credit of money, does it not?" he asked.

"No," said Mr. Morgan. "What I call money is the basis of banking."

"But the basis of banking is credit, is it not?"

"Not always," said the witness. "That is an evidence of banking, but it is not the money itself. Money is gold and nothing else."

Out of the discussion that followed between the lawyer and the banker, Mr. Undermyer drew the fact that comparatively little money exists for the superstructure of credit which it supports.

"If you had control of all that represents the assets in the banks of New York, you would have control of money—of all that money," he suggested.

"No, you would not," answered Mr. Morgan.

"If a man controlled the credit of a country, he would have control of all its affairs," said Mr. Undermyer.

"He might have that," retorted the financier, "but he would not have the money. If he had the credit and I had the money his customer would be badly off."

Mr. Morgan added that many men had great credit who had no money.

"Is that not because it is believed they have money back of them?" asked Mr. Undermyer.

"No, sir, it is because people believe in the man. I have known a man to come into my office and I have given him a check for a million dollars when I knew he had not a cent in the world."

Mr. Morgan was led at some length into a statement of his views on combination and concentration of financial affairs. He reiterated that he was an advocate of combination and cooperation although he did not object to competition.

"Without you have control," he said, "you cannot do anything."

"Is that the reason you want to control everything?" asked Mr. Undermyer.

"I want to control nothing," retorted the banker.

"There is no way one man can get a monopoly of money?" asked Mr. Undermyer.

"No, sir, he cannot. He may have all the money in Christendom, but he cannot do it," replied Mr. Morgan.

"If you owned all the banks of New York, with all their resources, would you not come pretty near having a control of credit?" asked Mr. Undermyer.

"No, sir, not at all."

"Suppose you owned all the banks and trust companies, or controlled them, and somebody wanted to start up in the steel business against the United States Steel Corporation, and wanted a vast amount of capital, and it was a good business, New York would be the natural market for money, would it not?"

"Yes."

"I want to know whether, if you controlled all those banks, a competitor came along, or a potential competitor,

Wins by Narrow Margin



George H. Hedges, Democrat, who has been given the certificate of election for the governorship of Kansas, but whose election Arthur Capper, his Republican opponent, states he will contest. The vote was very close.

who wanted to compete, whether he would get the money from those banks, you control?" Mr. Undermyer continued.

"Yes, he would," replied the financier.

"Some other man who might control might not take the view you have," suggested the lawyer.

"He would not have the control," replied Mr. Morgan.

"Doesn't admit his power."

"That is your idea, is it? Your idea is that when a man has got a vast power, such as you have—you admit you have, do you not?"

"I do not know it, sir."

"You admit you have, do you not?"

"I do not think I have," said Mr. Morgan.

"You do not feel it at all?" asked Mr. Undermyer.

"No, I do not feel it at all."

"Well, assuming that you had it, your idea is that when a man abuses it, he loses it?"

"Yes, and he never gets it back again, either."

"Have you any instance in your mind of any such man who has had any such power and control in order to experiment with it?" asked Mr. Undermyer.

"No, but I know from experience," said Mr. Morgan.

"Experience of your own?"

"No, I am talking about the experience of having things. What I mean

to say is this: The question of control, in this country at least, is personal; that is, in money."

"Have you not seen many instances in the history of this country of financial men getting vast control and abusing it through a long period of years before they lost it?" asked Mr. Undermyer.

"Not one particular line, and nobody that has what you call a money trust or anything of that kind," said Mr. Morgan.

"You admit, do you not, that men may get control of railroads or business enterprises and monopolize them, and so abuse their privilege?"

"Yes."

"And you say that so far as the control of the credit is concerned, they cannot do the same thing?"

"Of money, no, they cannot control it," said Mr. Morgan.

"Then the thing goes back to the question of the control of banks and trust companies in New York," said Mr. Undermyer.

"Do you think that a competitive condition in the banks and trust companies of New York is more or less preferable than a concentrated control over those banks?"

"I would rather have competition," said Mr. Morgan.

After ascertaining that a number of voting trusts in various railroad and industrial corporations were held by members of the firm of J. P. Morgan & Co., Mr. Undermyer asked:

"Assuming you were the voting trustee for all the great systems of railroads in the United States, it would concentrate control in you, would it not?"

"It would be a concentration in my hands, but the board of directors are the ones and you do not put the same board in every company," said Mr. Morgan.

"Sometimes they come pretty near it," said Mr. Undermyer.

"No, sir, never," said Mr. Morgan. "Take the banks of New York, do you realize the identity of directors in the banks?"

"I do, but the number of directors is very small in proportion to them all."

"But, do you realize this vast and dangerous concentration through having these same directors in various institutions?"

"Yes, I do not see any danger in it at all," replied the banker.

"Do you think that competitive institutions, that ought to be competitive, should have the same board?"

"Certainly not."

"Do you think they ought to have a preponderant influence in each board?"

"I do not," said Mr. Morgan.

"Do you see nothing improper in having the same men looking into one another's business in competing institutions?" asked Mr. Undermyer.

"They are not looking into each other's business," answered the witness.

It is the duty of a director to know what is going on in his bank, is it not?"

"But a general director does not know. He does not see the books," Mr. Morgan said.

Mr. Morgan insisted that without actual control of a directorate, interlocked directors had not actual power.

"You take three banks," he said. "Then take three men and put them in each of those banks. In one bank they are three out of twenty-five, in another they are three out of twenty, in another they are three out of ten. If you like."

"But suppose you have named all the other directors?" said Mr. Undermyer.

"Suppose you have a voting trust and you have, under the power given by that voting trust, named the whole board, as has been done in these two cases of the Guaranty Trust and the Bankers' Trust?"

"Directors must approve."

"I am not talking about voting trusts now. I am passing now upon the question of directors—three directors who go into four or ten banks. I say that these three directors, and I have been in a good many banks and a good many corporations—I defy any man to go in any one of these boards, even myself—I will say that for the sake of the argument—I do not believe I could carry any one question through any one board I was a director in against the views of the directors."

"Is that all you wanted to say?"

members of the firm of J. P. Morgan & Co. appear as directors.

"You do not watch the details as to the management of any of these banks, do you?" he asked.

"No."

"Who attends to the questions of management that come up with respect to these banks with which you are identified in your firm?"

"Any one of the firm who happens to know about that particular business."

"You are doing everything you can to protect the prosperity of these institutions in which the members of your firm are directors, are you not?"

"We do not bother ourselves much about that. They look after themselves."

"Why do members of your firm, in some instances two members of your firm and in some instances three members of your firm, go on these boards?"

"Because we have a large interest to protect."

"In the protection of that large interest do you not look after the banks at all?" asked Mr. Undermyer.

"Not to any extent."

"It takes the time of your partners, does it not?"

"Yes, I have already remarked on that a great many times."

"But still they remain there, do they not?"

"They do."

"May I ask what they are there for, to protect your interests?"

"That is what they are there for."

Voting Trusts Discussed.

The general subject of the power and privileges of voting trusts holding the stock of corporations elicited a lengthy discussion. In the course of which Mr. Undermyer got into the record statements regarding a series of voting trusts held by members of the firm of Morgan & Company for years.

"With respect to all these voting trusts the voting trustees in all these cases have power, have they not, and it is their duty to name the directors who shall conduct the company?" he asked.

"Yes, sir," answered Mr. Morgan. "And those directors in turn name the officers."

"Can you name any instance in which the board of directors of a trust named in these various voting trusts has undergone any considerable change after the expiration of the voting trust from the way in which it was constituted under the voting trust, except that where doubts occur, the vacancies were filled?"

"I think very seldom," said the witness.

You think they generally continue along the same boards?"

"Yes, they are generally pretty well satisfied with what they do."

"Who?" asked Mr. Undermyer.

"The stockholders, sir."

The activities of J. P. Morgan & Co. and fiscal agents for railroads and other interstate corporations formed the basis for another lengthy phase of the examination. May 1907, placed in the record the agreements by which the firm handles the securities of the New York Central and the New York, New Haven and Hartford railroads. The general policy of private banks handling big issues of securities also was taken up.

"These issues of securities of interstate railway companies are in vast sums, are they not, running into the hundreds of millions of dollars a year?" asked Mr. Undermyer.

"Yes, sir," answered Mr. Morgan.

"Do you not think it would be entirely feasible that securities of such corporations should be openly marketed and sold by some central bank, but as securities of the United States government and state governments and city administrations and municipal bonds are sold?"

"There is another point about it," volunteered Mr. Morgan, "and that is this: You must remember that securities that are issued and sold do

not always prove good. I do not say that that often happens, but it sometimes does."

"The banking house assumes no legal responsibility for the value of the bonds, does it?" asked Mr. Undermyer.

"No, sir, but it assumes something else that is still more important, and that is the moral responsibility, which has to be defended as long as you live."

"Will you name any instance of a railroad bond issue by your firm that proved bad, where the property was reorganized and your company personally put up any money to make the bond good, that it did not get back?"

"I cannot recall any now, but there are cases of that kind."

"Keep the pot boiling" is the slogan, and seven stands have been located at advantageous points on Richmond's principal streets to receive contributions.

Pot Collections Small.

Despite the fact that a larger number of cases must be handled this Christmas than ever before, the amounts received from the "pot collections" as they are called, have been smaller than last year. The Salvation Army is afraid that the campaign against indiscriminate begging has worked to the disadvantage of their scheme for getting Christmas money.

The organization has a permit to set up its stands.

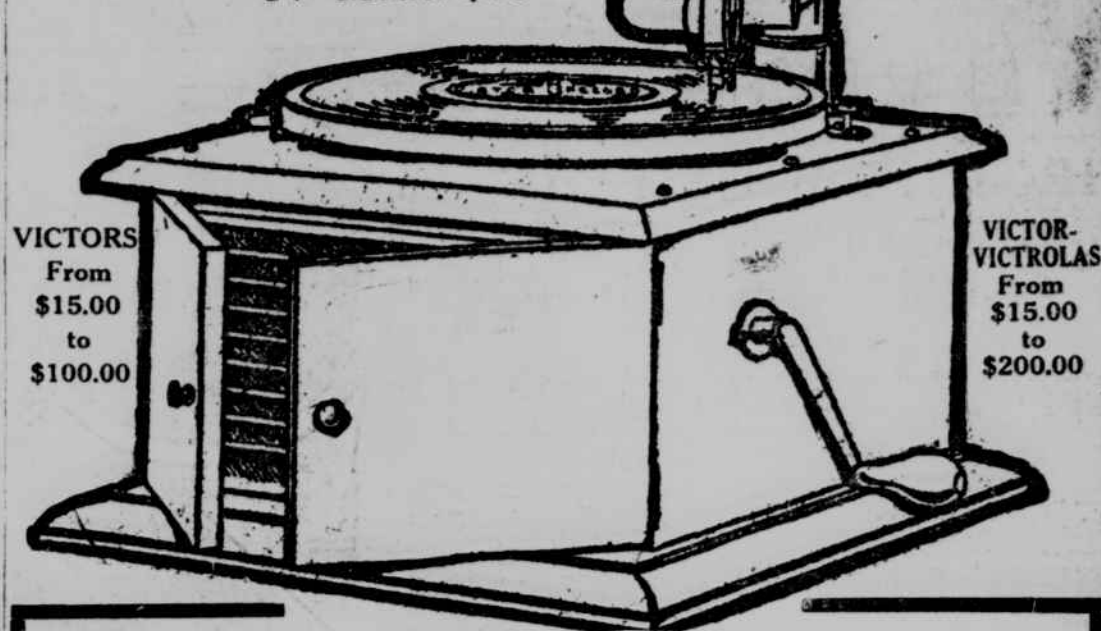
When the baskets with the dinners and supplies are ready to be sent out they will contain a varied but useful assortment of necessities. There will be a small bag of flour, three or four pounds of meat, a loaf of bread, a small quantity of butter, some coffee, some dried fruit, some sugar and a few other articles to complete the table fare.

No plate dinner will be served this year. The baskets will furnish a task sufficient for the means and workers at the army's disposal.

The families to be included in the distribution have all been carefully investigated and the final list compared with that of the Associated Charities, so that there may be no duplication. In seeking out needy homes and reporting them to the Salvation Army headquarters, the workers have taken cognizance only of widows, old folks, those out of work and those where sickness is.

In order to assure that every case will be met and cared for, larger contributions will be needed during the

IV Model \$15



VICTORS
From
\$15.00
to
\$100.00

VICTOR-
VICTROLAS
From
\$15.00
to
\$200.00

FOR
CHRISTMAS—A—

VICTOR or VICTOR-VICTROLA

Nothing that you could select could possibly bring as much pleasure as one of these superb instruments. A lasting pleasure enjoyed by every member of the family.

We have the various styles of both the Victor and Victor-Victrolas—from the little IV, model shown above at \$15 to the handsome XVI, model at \$200. Victors from \$15 to \$100.

Come in and make your selection while stocks are complete—we will gladly hold your purchase for Christmas delivery.

EASY TERMS IF DESIRED

Walter D. Moses & Co.

103 EAST BROAD STREET.

OLDEST MUSIC HOUSE IN VIRGINIA AND NORTH CAROLINA.

time that remains before Christmas. Checks and money should be sent to Philip E. W. Goodwin, cashier of the Central National Bank. Food or clothing should be sent to 218 East Broad Street, the Salvation Army headquarters.

"YORK VIEW" FARM IS SOLD.

Wealthy Illinois Lawyer Purchases York River Estate.

[Special to The Times-Dispatch.]—W. Dana, yesterday sold the farm known as "York View," or the Knight place, in York County, to Mr. Hampton, a wealthy Illinois lawyer. Mr. Hampton spent several weeks here looking for a river farm that suited him. He will add many improvements to the place, which fronts on York River.

Judge Tyler, who sentenced Hezekiah Cook to die for the murder of his half-brother in the York Circuit Court, has granted a stay of execution for ninety days to allow Cook's attorneys, Gaddy & Armistead, to take an appeal. Cook was to have been executed early in January. He is alleged to have killed his half-brother on account of a woman. The crime

was committed last July in York County.

The little four-year-old son of Mr. and Mrs. Van Buren Walker, of York County, died Tuesday of diphtheria, after a short illness. The child did not appear to be very ill, and it was with difficulty the physician diagnosed the case, as the disease was located very low in the throat and was without the usual symptoms. The funeral took place from York River Church yesterday.

The consolidated school at Magruder is closed on account of the illness with measles of one of the teachers. There are no other cases in the neighborhood.

Hugh S. Bird, of Richmond, and Frederickburg, was here yesterday on business. While here Mr. Bird said he would be an applicant before the State Board of Education for the position of Superintendent of Public Instruction when Dr. Eggleston's resignation was accepted. Professor Bird was for years head of the department of education in William and Mary, and is regarded as one of the leading educators in the State. He was a pioneer of the present system in Virginia, and students that he instructed at William and Mary fill many important positions in the public school system of the State.

BASKETS FOR POOR ON CHRISTMAS EVE

Salvation Army Trying to Provide for Four Hundred Families During Holidays.

Next Tuesday evening, Christmas Eve, while hundreds of happy small boys and contented old women are sitting by their warm firesides in anticipation of a joyous Christmas Day, a long procession of people will file past the counters set up by the Salvation Army in the building at 905 East Broad Street, loaned by the Life Insurance Company of Virginia, and receive a basket of supplies that will constitute their only source of Christmas enjoyment.

Adjutant Johnson, in command of the local corps of the Salvation Army, has estimated that there will be about 400 families to which baskets must be distributed. It is probable that more than 1,200 persons will be the beneficiaries of the charity so disbursed.

The Christmas dinner of the Salvation Army is already in preparation. "Keep the pot boiling" is the slogan, and seven stands have been located at advantageous points on Richmond's principal streets to receive contributions.

Pot Collections Small.

Despite the fact that a larger number of cases must be handled this Christmas than ever before, the amounts received from the "pot collections" as they are called, have been smaller than last year. The Salvation Army is afraid that the campaign against indiscriminate begging has worked to the disadvantage of their scheme for getting Christmas money.

The organization has a permit to set up its stands.

When the baskets with the dinners and supplies are ready to be sent out they will contain a varied but useful assortment of necessities. There will be a small bag of flour, three or four pounds of meat, a loaf of bread, a small quantity of butter, some coffee, some dried fruit, some sugar and a few other articles to complete the table fare.

No plate dinner will be served this year. The baskets will furnish a task sufficient for the means and workers at the army's disposal.

The families to be included in the distribution have all been carefully investigated and the final list compared with that of the Associated Charities, so that there may be no duplication. In seeking out needy homes and reporting them to the Salvation Army headquarters, the workers have taken cognizance only of widows, old folks, those out of work and those where sickness is.

In order to assure that every case will be met and cared for, larger contributions will be needed during the

Good Things for Christmas Holidays

Everything in Candies, Raisins, Nuts, Wines and Liquors. Fresh Turkeys and Chickens, live or dressed, at way-down prices.

New Black Walnuts, peck.....	20c	Large New Irish Potatoes,	25c
Extra Large Eating Apples, peck.....	30c	Peck; per bushel.....	90c
Sparkler Fireworks, 5c dozen, or		Best American Granulated Sugar, 5½c	
6 dozen.....	25c	Extra fine quality Sherry Wine,	
French Brandy, gallon.....	\$2.00	in sealed bottles.....	35c
Rye Whiskey, gallon.....	\$2.00	Jello Ice Cream Powder, 9c, or 3	
Large Juicy Lemons, dozen.....	22c	pkgs.....	25c
New Walnut Kernels, lb.....	38c	Potted Ham or Tongue, 6 cans.....	25c
Best Sugar Cured Skinned Hams,		Gold Medal Flour, 38c bag; bbl.\$5.85	
per pound.....	16c	Good Green or Mixed Tea, lb.....	30c
Large Juicy Cocoanuts, each.....	6c	Good Country Butter, lb.....	30c
Home Killed Pork Loin, lb.....	16c	Choice Florida Oranges, per dozen, 18,	
Fine Grape Fruit.....	5c	20c and.....	23c
Cape Cod Cranberries, quart.....	12c	Best Regular Fresh or Corned	
Libby's Best Plum Pudding, 9c		Hams, lb.....	17c
can; large cans.....	38c	All Pork Country Sausage, lb.....	16c
New Shelled Almonds, lb.....	25c	Wine for jelly, quart.....	20c
Chalmers' Celanese, 3 pkgs.....	25c	Finest Quality Fruit Cakes—1-lb.	
Brookdale Asparagus, 15c can		carton, 20c; 3-lb. carton.....	60c
per dozen.....	\$2.10	Libby's Hillsdale Best Asparagus,	
Good Eggs, per dozen.....	25c	per can.....	12c
7 rolls Toilet Paper.....	25c	Libby's Olives, per bottle.....	8c
Finest Sugar-Cured Regular Hams,		New-Cleaned Currants.....	10c
very best quality, any size.....	17c	New Layer Eggs, 1-lb. pkg.....	11c
New Seeded Raisins, Santa Claus		Good Salt Pork, lb.....	11c
brand, full pounds, 3 for.....	25c	Good Lard, lb.....	11c
Pillsbury Flour, 38c bag; barrel \$5.85		Finest Quality Virginia Corn	
New Mixed Nuts, lb.....	12½c	Honey, package.....	15c
New London Layer Raisins, lb.....	9c	Best Sugar-Cured Breakfast	
Finest Quality Citron, lb.....	17c	Bacon, per lb.....	18c
New Lemon or Orange Peel, lb.....	14c	Highest Quality Best Creamery	
New Hallowe'en Dates, lb.....	8c	Butter made, 1-lb. carton.....	37c
Finest Chocolate Drops, lb.....	12c	Brookdale California Lemon Cling	
New French Candy, lb.....	8c	Peaches, 15c can; dozen.....	\$1.65
Imported Sour Knout, 7c quart;		3 cans Pocahontas Best Corn.....	25c
or, per gallon.....	25c	8 large bars Circus Soap for.....	25c
Large 4-String Broom.....	20c	Quart Mason Jars Queen Olives.....	38c
Good Sugar Corn, 7c can; or, 4		Gold Medal Coffee, Java and	
cans.....	25c	Mecha mixture, 1-lb. cans, 30c;	
New Virginia Herring Roe, can.....	11c	5-lb. cans.....	\$1.45
New Codfish, 7c, or 4 lbs.....	25c	Absolutely Pure Leaf Lard, in 3,	
		5 and 10-lb. cans, at per lb.....	15c

S. ULLMAN'S SON

1820-22 E. Main St.

506 E. Marshall St.

Auto Owners, Garage Managers

My facilities for repair and rebuilding work on automobiles is unsurpassed by any similar shop in the city. I have the machinery and the men to do expert and prompt work, such as:

REPAIRING—Radiators, Lamps, Fenders, Oil Pans, and all parts except the engine. Prices are right.

JOHN E. ROSE & CO.,

Madison 1816.